



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Sean Parnell, Governor
Susan K. Bell, Commissioner
Robert M. Pickett, Chairman

Regulatory Commission of Alaska

October 26, 2010

In reply refer to: Tariff Section
File: TL48-307
LO #: L1000541

John M. Christal
Vice President
Kuparuk Transportation Company
700 G. Street, ATA-920
Anchorage, Alaska 99501

Dear Mr. Christal:

On October 21, 2010, the Regulatory Commission of Alaska (Commission) concurred with Commission Staff's (Staff) recommendation to approve Tariff Sheet No.3, filed on behalf of Kuparuk Transportation Company (KTC) on September 21, 2010, with an effective date of October 21, 2010.

During Staff's review, it was revealed that there are several tariff sheets that still reference the West Sak Connection and the Alaska Public Utilities Commission.¹ The Commission requires KTC to make the necessary tariff advice filings by March 1, 2011, to ensure that the state tariff sheets numbers 1, 3, 4, 5, and 7 for the Kuparuk Pipeline reflect the current operations of the pipeline by correcting the above noted items.

The Commission also finds that the map located on Tariff Sheet No. 3, fulfills the requirement found in Ordering Paragraph No. 4 of Order P-09-007(2).

Enclosed is a validated copy of Tariff Sheet No. 3, filed on September 21, 2010, by Kemppele, Huffman and Ellis, P.C on behalf of KTC, with TL48-307. The effective date of Tariff Sheet No. 3 is October 21, 2010. A copy of the staff memorandum is also enclosed.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA

Mary J. Viltone
Chief, Tariff Section

Enclosures
cc: Dean Thompson
Kemppele, Huffman & Ellis
255 E. Fireweed Lane, Suite 200
Anchorage, Alaska 99503-2025

¹ The Alaska Public Utilities Commission is the predecessor agency to the Commission.
701 W. 8th Avenue, Suite 300, Anchorage, Alaska 99501-3469
Telephone: (907) 276-6222 Fax: (907) 276-0160 Text Telephone: (907) 276-4533
Website: <http://rca.alaska.gov/RCAWeb/home.aspx>

RCA No. 307 1st Revision
Canceling
Original

Sheet No. 3
Sheet No. 3

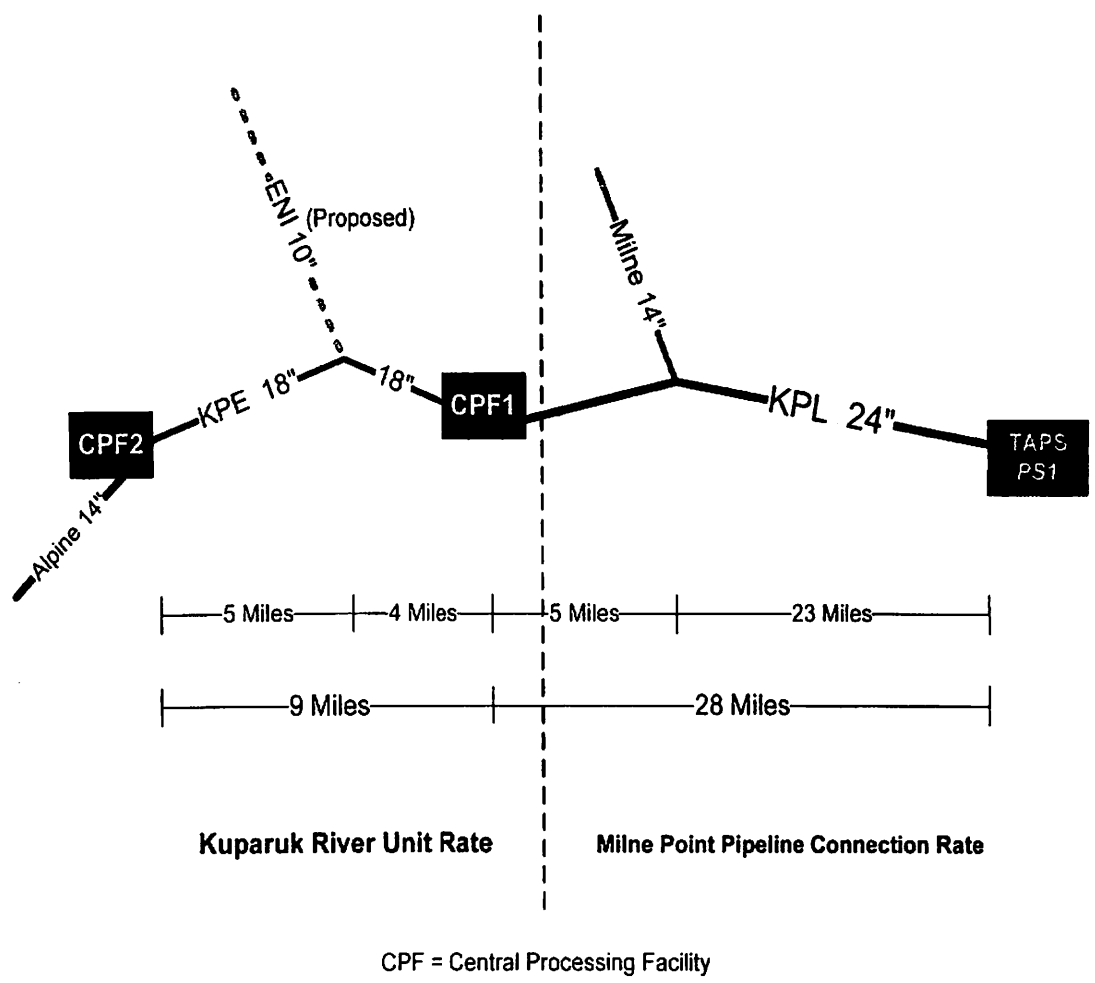
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STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

Kuparuk Transportation Company

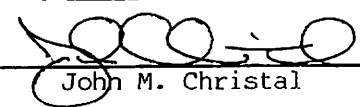
Kuparuk Transportation Company Map



Tariff Advice No. TL48-307

Effective: October 21, 2010

Issued by: Kuparuk Transportation Company

By: 
John M. Christal

Vice President of Kuparuk Pipeline Company,
Title: Managing Partner of Kuparuk Transportation Co.

TARIFF ACTION MEMORANDUM

October 20, 2010

Date

File No.: TL48-307

Date Filed: September 21, 2010

Name of Utility: Kuparuk Transportation Company

Tariff Recommendation:


Staff recommends the commission approve the proposed Regulatory Commission of Alaska (RCA) Tariff Sheet No.3, received on September 21, 2010 with an effective date of October 21, 2010.

Staff recommends that the commission also accept the map found on the 1st Revision of RCA Tariff Sheet No. 3, as a compliance filing for Ordering Paragraph No. 4 of Order P-09-007(2).

Staff recommends that the commission require the Kuparuk Transportation Company to make the necessary tariff advice filings by March 1, 2011, to ensure that the state tariff for the Kuparuk Pipeline reflects the current operation of the pipeline.

Reason(s) for the above-indicated recommendation:

See attached memorandum.

Signed:  Title: Utility Engineering Analyst
 Keven K Kleweno

Commission decision regarding this recommendation:

	Date (if different from <u>October 21, 2010</u>)	I <u>CONCUR</u>	I <u>DO NOT CONCUR</u>	I WILL WRITE A DISSENTING STATEMENT *
Pickett	_____	<u>emp</u>	_____	_____
Giard	_____	<u>[Signature]</u>	_____	_____
Lisankie	_____	<u>[Signature]</u>	_____	_____
Patch	_____	<u>[Signature]</u>	_____	_____
Wilson	_____	<u>[Signature]</u>	_____	_____

- If this column is initialed, Staff will contact the Commissioner for the statement; otherwise, the dissent will simply be noted at the close of the By Direction letter or order.

STATE OF ALASKA
The Regulatory Commission of Alaska
701 West 8th Ave., Suite 300
Anchorage, Alaska 99501-3469

M E M O R A N D U M

TO: Commissioners:

DATE: October 20, 2010

Bob Pickett, Chairman
Kate Giard
Paul Lisankie
T.W. Patch
Janis W. Wilson

FROM: Keven K Kleweno, Utility Engineering Analyst 

Subject: TL48-307: Kuparuk Transportation Company

Statement of Case

Should the Regulatory Commission of Alaska (commission) accept the Kuparuk Transportation Company (KTC) request to:

- Approve the 1st Revision to Regulatory Commission of Alaska (RCA) Tariff Sheet No. 3, received on September 21, 2010, which updates the Kuparuk Pipeline map to match current conditions.

Recommendation

Staff recommends the commission approve the proposed Regulatory Commission of Alaska (RCA) Tariff Sheet No.3, received on September 21, 2010 with an effective date of October 21, 2010.

Staff recommends that the commission also accept the map found on the 1st Revision of RCA Tariff Sheet No. 3, as a compliance filing for Ordering Paragraph No. 4 of Order P-09-007(2).

Staff recommends that the commission requires KTC to make the necessary tariff advice filings by March 1, 2011, to ensure that the state tariff for the Kuparuk Pipeline reflects the current operation of the pipeline.

Background

On September 21, 2010, the applicant¹ filed revisions to RCA Tariff Sheet No. 3. The commission issued a public notice of the filing on September 24, 2010. The notice included a request that comments on the filing be submitted by October 13, 2010. No comments were received on this filing.

Discussion

Staff's review of the September 21, 2010 submittal revealed that on proposed RCA Tariff Sheet No. 5, KTC used and located symbols in accordance with 3 AAC 48.360(i). In addition, the format used meets the requirements of 3 AAC 48.330.

The new map does include ENI U.S. Operating Co. Inc.'s Nikaitchuq crude oil gathering line, for which KTC has filed an application for a construction permit for a connection. Staff has been able to confirm with the Department of Natural Resources, Division of Oil and Gas that ENI U.S. Operating Co. Inc.'s Nikaitchuq crude oil gathering line has been installed. As a result, the map is accurate.

In Order P-09-007(2), the commission required KTC to file, within 30 days after all new pipeline components are placed into operation, a tariff advice letter updating the map in KTC's existing tariff. Staff contacted State Pipeline Coordinator's Office (SPCO) staff on October 5, 2010, to obtain information on the operation status of the new pipeline components. Staff was provided the following information on pigging:

- 1) The maintenance pigging started on September 18, 2010 and ended on September 20, 2010.
- 2) The gauging pigging was conducted on September 25, 2010.
- 3) The smart pigging was conducted on October 2, 2010.

From the information provided by SPCO staff, it is clear that all new pipeline components have been placed into operation.

With verification that the ENI U.S. Operating Co. Inc.'s Nikaitchuq crude oil gathering line has been installed and all new pipeline components in which the commission issued a construction permit in Docket P-09-007 have been placed into operation, the proposed map found on the 1st Revision of RCA Tariff Sheet No. 3 is accurate. Based on the information from SPCO staff, the timing of the filing meets the requirement found in Order P-09-007(2). Using the information that staff has collected regarding the Kuparuk Pipeline and ENI U.S. Operating Co. Inc.'s

¹ The applicant is Kuparuk Transportation Company (KTC) with Kempel, Huffman and Ellis filing the Tariff Advice Letter on behalf of KTC. KTC did not provide authorization allowing Kempel, Huffman and Ellis to file information with the commission on their behalf.

Nikaichuq crude oil gathering line (ENI 10" (Proposed), staff does not believe that by accepting the proposed tariff sheet, the commission will be granting any other approvals or permits. As a result, staff recommends that the commission approve the 1st Revision to RCA Tariff Sheet No. 3.

Other Concerns:

All new Kuparuk Pipeline components in which the commission issued a construction permit in Docket P-09-007 have been placed into operation; staff recommends that the commission also accept the map found on the 1st Revision of RCA Tariff Sheet No. 3, as a compliance filing for Ordering Paragraph No. 4 of Order P-09-007(2).²

The map on the original RCA Tariff Sheet No. 3 shows a West Sak connection which was removed on the proposed map found on the 1st Revision of RCA Tariff Sheet No. 3. Staff's review of the existing state tariff reveals that the tariff title page, RCA Tariff Sheet No. 1, still notes a West Sak Connection. In addition, staff's review revealed that reference to a West Sak Connection was removed from RCA Tariff Sheet No. 6, based on information filed under TL11-307 and Docket P-85-002.³

To ensure that the state tariff for the Kuparuk Pipeline is current, staff recommends that the commission require KTC⁴ to make the necessary tariff advice filings by March 1, 2011, to ensure that the state tariff for the Kuparuk Pipeline reflects the current operation of the pipeline.⁵

² Order P-09-007(2), Ordering Paragraph No. 4, the commission required KTC to file, within 30 days after all new pipeline components are placed into operation, a tariff advice letter updating the map in KTC's existing tariff. Order P-09-007(2), Ordering Paragraph No. 3, required KTC to file, within 30 days after all new pipeline components are placed into operation, record drawings of the pipe replacement and all other facilities, include the pig launcher and receiver buildings.

³ Based on a review of the Master Tariff, under Order P-85-002(16) the commission amended the title of Docket P-85-002 to read as follows: "In the matter of the filing of a tariff Advice, designates as TL6-307, by Kuparuk Transportation Company for an Initial Tariff for Intrastate Transportation of Petroleum from the Kuparuk River Unit and West Sak Connection to Pump Station No. 1 of the Trans Alaska Pipeline System and the Filing of a tariff Advice, Designated as TL11-307, for a Revised Tariff for Intrastate Transportation from the Kuparuk River Unit to Pump Station No. 1 of the Trans Alaska Pipeline System and an Initial Tariff for Intrastate Transportation of Petroleum from the Milne Point Pipeline Connection to Pump Station No. 1 of the Trans Alaska Pipeline System."

⁴ The commission issued Certificate of Public Convenience and Necessity Number 307 to Kuparuk Transportation Company.

⁵ At a minimum, the changes will need to include the modification to Tariff Sheet No. 1, title page, by removal of the reference to the West Sak, removal of all reference to the APUC and, if appropriate, the connection of ENI U.S. Operating Co. Inc.'s Nikaichuq crude oil gathering line to the Kuparuk Pipeline.

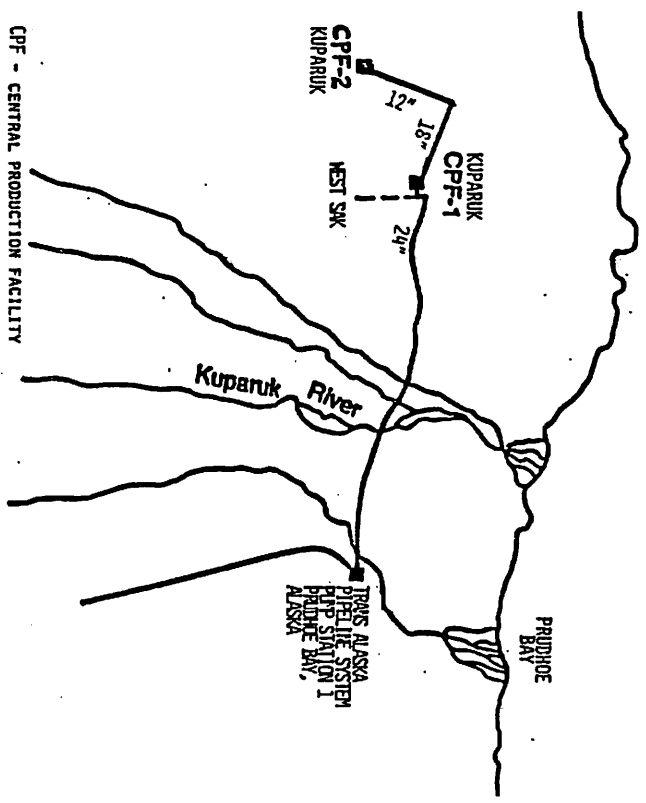
Cancellation

Sheet No.

KUPARUK TRANSPORTATION COMPANY

RECEIVED
 JAN 31 1986
 State of Alaska
 Public Utilities Commission

SECTION 1



Pursuant to P-85-2(1) Effective: April 1, 1985
 Tariff Advice No. 6

Issued by: Kuparuk Transportation Company
R. E. Seyth, President of Kuparuk Pipeline Co.
 Managing Partner for Kuparuk Transportation Co.

1st Revision
 Cancellation
 Original

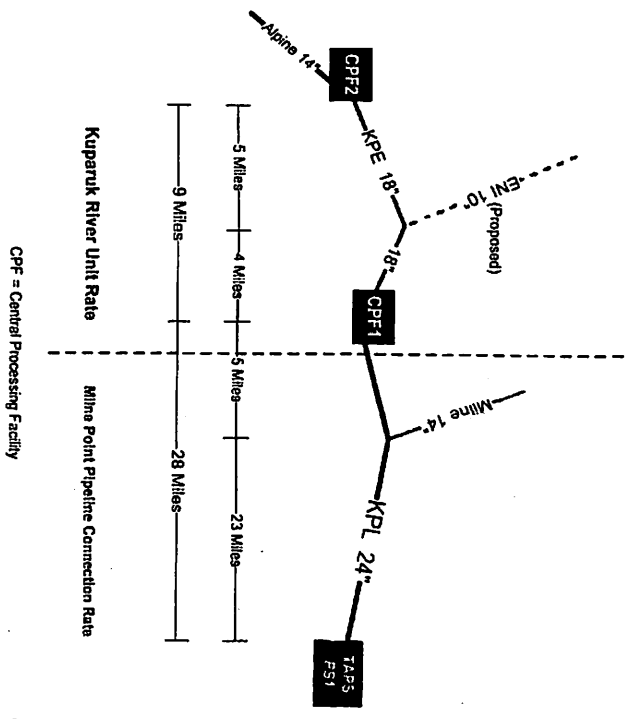
Sheet No. 3

Canceling

Sheet No. 3

Kuparuk Transportation Company

Kuparuk Transportation Company Map



Tariff Advice No. TL48-307 Effective: October 21, 2010

Issued by: Kuparuk Transportation Company
John M. Christal, Vice President of Kuparuk Pipeline Company,
 Managing Partner of Kuparuk Transportation Co.

Handwritten: Road 02/11/10